



Digital Token Identifier Foundation (DTIF)

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To: Financial Services Regulatory Authority (FSRA) of Abu Dhabi Global Market (ADGM)

Re: Consultation Paper No. 7 of 2024 – Proposed Regulatory Framework for the Issuance of Fiat-Referenced Tokens

Submitted by email to fsra.consultation@adgm.com

The [Digital Token Identifier \(DTI\) Foundation](#)¹ and its Product Advisory Committee (PAC) welcome the opportunity to respond to the Financial Services Regulatory Authority (FSRA) of Abu Dhabi Global Market (ADGM)'s consultation paper on the '[Proposed Regulatory Framework for the Issuance of Fiat-Referenced Tokens](#)' (hereafter referred to as the 'consultation paper') to introduce a specific framework that would enable the issuance of fiat-referenced tokens (FRTs) from the ADGM.

The DTI Foundation is the Registration Authority for the International Organization for Standardization (ISO) 24165 Digital Token Identifier (DTI) standard², an ISO standard that enables the unique identification of all fungible digital assets which use distributed ledger technology (DLT) for token issuance, storage, exchange, record of ownership, or transaction validation. The DTI itself comprises a code - a random, unique combination of nine alphanumeric characters allocated to a cryptoasset - and a record of reference data, which is held by the DTI Foundation. The reference data provides information about the DLT on which the token is deployed, as well as token technical attributes (such as address, name(s), and any external identifiers).

The DTI Foundation's mission is to provide the golden source reference data for the unique identification of cryptoassets. The DTI Foundation issues and maintains DTIs on a non-profit basis, to increase transparency in the digital asset space by creating a core reference data set based on open data principles and made available as a public good.

¹ The DTI Foundation is a non-profit division of Etrading Software Limited: <https://etradingsoftware.com/>

² [ISO 24165-1:2021](#) and [ISO 24165-2:2021](#), Digital token identifier (DTI)

The DTI Foundation welcomes the objectives of the proposed framework to allow the issuance of FRTs from the ADGM while following a risk-based and proportionate approach. The DTI ISO standard was established to enhance efficiencies within digital asset markets, assisting regulators and market participants in managing risks through greater transparency. In particular, the use of the DTI, a globally consistent identification standard for digital tokens, could be integrated within the disclosure requirements set out in the proposed regulatory framework, to provide additional consistency and transparency to regulators and market participants.

The DTI Foundation also welcomes the objective to align ADGM's regulatory framework for FRT issuers with international regulatory approaches. Internationally recognised ISO standards, such as ISO 6166, ISO 17442, and ISO 10383 for defining ISINs, LEIs, and MICs respectively, have proven effective in establishing a harmonised framework of identification for regulators, market participants and infrastructure providers across financial markets. The ISO 24165 DTI standard is recognised as the global standard for the identification of digital tokens, including stablecoins, and is being increasingly adopted by market stakeholders and recognised by regulators. For instance, the European Union's Markets in Crypto Assets Regulation (MiCA) technical standards, published by the European Securities and Markets Authority (ESMA), sets DTI as the crypto-asset identifier for stablecoin white papers, in addition to crypto-service provider requirements for order books, record-keeping, and reporting requirements.³ In addition, the Canadian Securities Administrators (CSA) requires the use of DTIs for data reporting of crypto-asset trading platforms.

We have confined our specific response to questions 5 and 10 which relate to proposed disclosures that are directly relevant to the DTI Foundation's remit.

We are available to answer any questions you may have and would welcome the opportunity to discuss the ISO 24165 DTI standard further with the FSRA. Please do not hesitate to contact us at secretariat@dtif.org.

³ ESMA [Final Report](#) on the Technical Standards specifying certain requirements of MiCA - second package

Question 5. Do you agree with the FSRA’s proposed approach to periodic attestation and disclosure?

The FSRA notes it is considering implementing technological tools to enable the enhanced assessment and monitoring of proof of Reserve Assets of the FRT. The FSRA may also consider the monitoring of FRT issuer liabilities, as performed by the Bank of International Settlements (BIS) Innovation Hub and the Bank of England as part of Project Pyxtrial⁴. Pyxtrial employed DTIs to address the challenge of accurate monitoring of specific stablecoin tokens across multiple ledger implementations. Therefore, the addition of a DTI for any FRT token implementation within disclosure requirements will provide the FSRA with an additional tool to accurately monitor issuer liabilities and DLT network exposures.

Question 10. Are there any additional disclosures which should be mandated for inclusion in a White Paper?

The DTI Foundation supports the proposed requirement to provide a white paper with appropriate disclosures to FRT holders. In addition to details described under section 34 points (a) through (f), the FSRA may consider the DTI standard to provide unambiguous identification to the FRT and any related token implementations across different ledgers. The DTI standard provides three levels of identification – ledger, token, and token grouping - and is also linked to the ISIN and other ISO standards as seen in the below diagram.

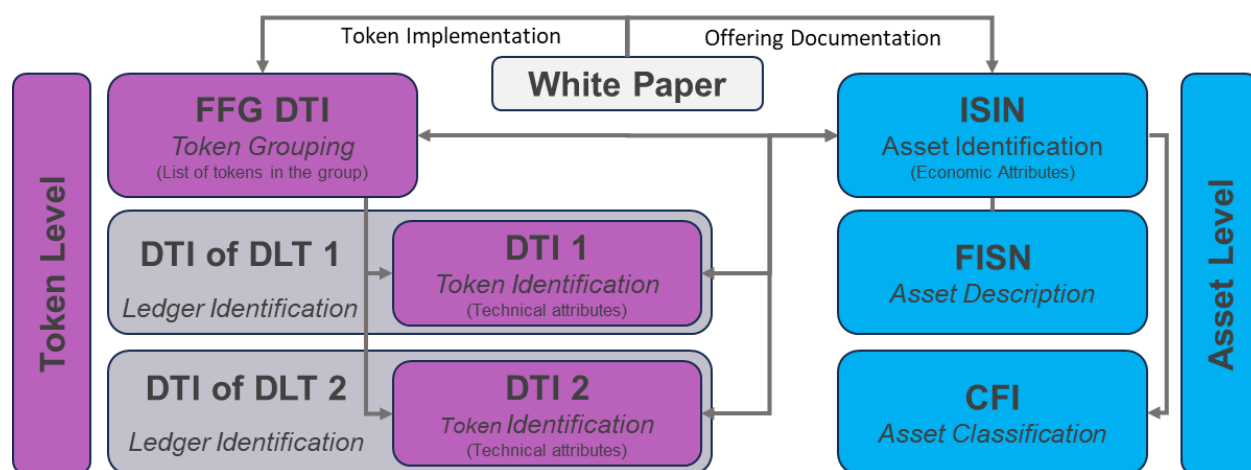


Figure 1. DTI identification levels and linkage to ISIN

⁴ Project Pyxtrial: monitoring the backing of stablecoins

The FSRA may want to leverage all three levels of DTI codes for FRT issuers to uniquely identify:

- The ledger, or type of technology used
- The specific token implementation per ledger
- The token grouping to aggregate all token implementations representing the same FRT asset

A standardised form of identification will facilitate the consistent identification of digital tokens and DLT networks across all stakeholders involved in ADGM's digital ecosystem. The DTI is a globally recognised ISO standard that provides guaranteed uniqueness of digital tokens and DLT networks based on objective and verifiable technical data.

It is worthwhile to note that any long or short name to represent an FRT is not standardised or unique across digital ecosystems, therefore, any disclosures should relate to a global standard, such as the DTI, to ensure clarity and avoid confusion. As an example, names such as "USDT" or "Tether USD" lack clarity as numerous tokens share these designations. By uniquely identifying each token through its technical specifications, the DTI can assist market participants in verifying that they are holding and comparing the same crypto-asset. Additionally, a standardised token identifier would support the accuracy and usefulness of any potential future central register for all licensees and their issued FRTs.

Reference data linked to the DTI can help FRT users and regulators assess risks associated with specific stablecoins. IOSCO has previously highlighted the importance of crypto-asset firms being able to identify relevant operational and technological risks within its [Policy recommendations for Crypto and Digital Asset Markets](#). The DTI Foundation considers the ISO 24165 DTI to be an important tool for both institutional and retail customers to understand unique risk profiles associated with digital tokens, including stablecoins. Technical information captured by the DTI Registry on stablecoins to support such assessments includes, among others:

- *Protocols*: The mechanism/protocol used to create a digital token, such as ERC-20 used for Ethereum.
- *Distributed Ledger Identifier*: Unique identification of the distributed ledger/DLT Network where the stablecoin is implemented.
- *Public distributed ledger indicator*: Whether access to reading the distributed ledger is unrestricted (versus private/permissioned) – whether the data elements specified in the DTI Registry are accessible for independent verification by the general public.

- *Additional non-technical information:* Informative attributes are captured to provide additional reference to the token, such as long/short names, reference implementation URLs and any DTI validation status, if applicable.

The DTI Foundation would note that it is open to capturing additional details based on market and regulatory demand. In summary, the DTI Foundation supports the proposed regulatory framework outlined in the consultation paper. We propose the use of the DTI to bolster the objectives and requirements of the framework, particularly in enhancing transparency and risk management within the digital asset ecosystem. The DTI's ability to facilitate the consistent identification of digital tokens and DLT networks, along with its support for crypto-asset risk assessments, underscores its value as a globally recognised standard for digital asset identification across jurisdictions.